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6  
7 **UNITED STATES DISTRICT COURT**

8 **DISTRICT OF NEVADA**

9 CHRISTINE OWEN,

Case No.: 2:18-cv-01581-GMN-CWH

10 Plaintiff,

11 vs.

12  
13 ADAM STOKES, an individual; ADAM  
STOKES, LLC, a domestic limited liability  
14 company; HALF PRICE LAWYERS, LLC, a  
domestic limited liability company; MARK  
15 COBURN, an individual; RAMZY LADAH,  
an individual,

16  
17 Defendants.  
18

19 **REPLY TO DEFENDANTS' RESPONST TO MOTION FOR AN ORDER TO**  
20 **COMPEL DEMANDING MEMBER'S REQUEST TO EXAMINE AND COPY**  
**RECORDS OF HALF PRICE LAWYERS, LLC PURSUANT TO NRS 86.241**

21 COMES NOW Plaintiff, Christine Owen (hereinafter "Plaintiff"), by and through her  
22 attorney of record, HAROLD P. GEWERTER, ESQ., of the law firm of HAROLD P.  
23 GEWERTER, ESQ., LTD., and hereby files her Reply to Defendants' Response (mistakenly  
24 referred to therein as a "Reply") to Plaintiff's June 7, 2019 Motion for an Order to Compel  
25 Demanding Member's Request to Examine and Copy Records of Half Price Lawyers, LLC  
26 Pursuant to NRS 86.241.  
27  
28

1 The instant Reply is made and based upon the following Memorandum of Points and  
 2 Authorities, all pleadings and papers on file herein, and any oral arguments to be allowed by the  
 3 Court.

#### 4 **MEMORANDUM OF POINTS AND AUTHORITIES**

##### 5 **I. Introduction**

6  
 7 As set forth in her June 7, 2019 Motion, Plaintiff, who is a one-half owner of Half Price  
 8 Lawyers, LLC (hereinafter “the Company”), respectfully requests an Order from this Court  
 9 allowing her to exercise her Right of Inspection per the Operating Agreement and NRS 86.241 of  
 10 all Company Records as set forth herein. In their Response, Defendants oppose the Motion based  
 11 on the allegation that Plaintiff’s Motion is one to compel discovery per FRCP 37. Secondly,  
 12 Defendants attempt to selectively enforce the Operating Agreement’s Arbitration Clause with  
 13 respect to Plaintiff’s request- which is based upon Nevada Statute. As will be demonstrated  
 14 herein, both of these arguments are without merit. For the sake of judicial economy, and due to  
 15 Defendant’s meritless defenses, the instant Reply will be cursory for the benefit of the Court.  
 16

##### 17 **II. Legal Authorities and Arguments**

###### 18 **a) NRS 86.241**

19  
 20 As explained in Plaintiff’s June 7, 2019 Motion, Limited liability companies in Nevada  
 21 are governed by NRS Chapter 86. With respect to a member’s rights to view an LLC’s records,  
 22 such rights fall under the purview of NRS 86.241, which provides that “[e]ach member of a  
 23 limited-liability company is entitled to obtain from the company, from time to time upon  
 24 reasonable demand, for any purpose reasonably related to the interest of the member as a member  
 25 of the company. Such demands are “subject to such reasonable standards regarding at what time  
 26 and location and at whose expense records are to be furnished.” *Id.* As seen in Plaintiff’s June  
 27  
 28

1 7, 2019 Motion, at Exhibit 2, Plaintiff has made at least five (5) reasonable requests for records  
2 pursuant to NRS 86.241. (ECF No. 21).

3 In refusing to provide Plaintiff with the corporate records to which she is statutorily  
4 entitled, Defendants attempt to frame Plaintiff's request as a **discovery dispute** per FRCP 37.  
5 Defendants' Response, page 2-5. (ECF No. 22). In so arguing, Defendants argue that Plaintiff  
6 has failed to meet the requirements for discovery disputes per FRCP 37, and as such, is not entitled  
7 to her corporate records. *Id.*

9 Defendants' FRCP 37 is entirely misplaced. The instant matter before the Court is not a  
10 discovery issue. As noted, Plaintiff is entitled to the corporate records which she has reasonable  
11 requested **per statute**, regardless of the instant case and controversy. As such, Defendants'  
12 argument that Plaintiff must seek the requested corporate records through discovery, and if they  
13 are not provided, that she must first attempt to settle the alleged "discovery dispute" per FRCP  
14 37 can be summarily dismissed.

16 b) The Operating Agreement

18 In addition to being entitled to the corporate records requested under NRS 86.241, Plaintiff  
19 is also specifically entitled to said records per the clear language of the most recent Operating  
20 Agreement dated June 2, 2014 (hereinafter the "Operating Agreement"). Plaintiff's Motion, at  
21 page 5. (ECF No. 21). In their Response, Defendants admit that they have not turned over the  
22 Plaintiff the corporate documents which she has requested on five (5) different occasions.  
23 Defendants' Response, at pages 5-12. (ECF No. 22). While admitting that they are in violation  
24 of NRS 86.241 and in breach of the Operating Agreement, Defendants nonetheless contend that  
25 Plaintiff must arbitrate her lawful request for corporate documents per the Operating Agreement's  
26 arbitration clause. *Id.*

1 Defendant's attempt to enforce the Operating Agreement's arbitration clause, while at the  
2 same removing the instant case from Nevada State Court and choosing to litigate same, is both  
3 unequitable and asserted in bad faith. Under the doctrine of judicial estoppel a party may be  
4 estopped merely by the fact of having alleged or admitted in his pleadings the contrary of the  
5 assertion sought to be made. *Sterling Builders, Inc. v. Fuhrman*, 80 Nev. 543, 549, 396 P.2d 850,  
6 854 (1964). The primary purpose of judicial estoppel is to protect the judiciary's integrity rather  
7 than the litigants. *Mainor v. Nault*, 120 Nev. Adv. Op. 84 (2004). The court may invoke the  
8 doctrine at its discretion. *Id.* In *Mainor*, the Court further held that:

10 "Although not all of these elements are always necessary, the doctrine generally  
11 applies 'when (1) the same party has taken two positions; (2) the positions were  
12 taken in judicial or quasi-judicial administrative proceedings; (3) the party was  
13 successful in asserting the first position (i.e., the tribunal adopted the position or  
14 accepted it as true); (4) the two positions are totally inconsistent; and (5) the first  
15 position was not taken as a result of ignorance, fraud, or mistake.'"

16 (Internal citations omitted).

17 While the doctrine of judicial estoppel usually applies when a party asserts different  
18 positions in different cases, this requirement is not always necessary. *Mainor*, supra.

19 In the instant matter, Defendants have never asserted the arbitration clause from the  
20 Operating Agreement until now. On August 21, 2018 removed this matter to Federal Court and  
21 since that time have continued to litigate the case in contravention to the arbitration clause. As  
22 such, Defendants should be judicially estopped from now asserting that Plaintiff's request for  
23 corporate documents must be arbitrated. Simply stated, Defendants do not get to selectively  
24 choose which portions of the Operating Agreement. As such, this second argument in Response  
25 to Plaintiff's Motion is without merit.

26 As an aside, Plaintiff's request for corporate records is not a matter which can be  
27 arbitrated. As noted herein and in Plaintiff's original Motion, her request is already governed by,  
28

1 and mandated, by statute. Accordingly, Defendants' insistence that Plaintiff's request for  
2 corporate documents be arbitrated is a red herring.

3 III. Conclusion

4 Based upon the foregoing and Plaintiff's original June 7, 2019, Plaintiff again respectfully  
5 pleads that her request for an Order to Compel Defendants to disclose corporate documents be  
6 GRANTED. Plaintiff also prays for attorney's fees, costs, and any other relief to which she is  
7 entitled.  
8

9 DATED this 14th day of June, 2019.

10  
11 /s/ Harold P. Gewerter, Esq.  
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20 Attorneys for Plaintiff  
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**CERTIFICATE OF SERVICE**

I hereby certify that on this 14th day of June, 2019, a true and correct copy of Plaintiff's  
**REPLY TO DEFENDANTS' RESPONST TO MOTION FOR AN ORDER TO COMPEL  
DEMANDING MEMBER'S REQUEST TO EXAMINE AND COPY RECORDS OF  
HALF PRICE LAWYERS, LLC PURSUANT TO NRS 86.241** was electronically served  
through the Court's ECF/Pacer system upon the following:

Telia U. Williams, Esq.  
LAW OFFICE OF TELIA U. WILLIAMS  
10161 Park Run Drive, Suite 150  
Las Vegas, Nevada 89145  
Attorney for Defendants

/s/ Sonja K. Howard  
AN EMPLOYEE OF HAROLD P. GEWERTER, ESQ., LTD.